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Report Highlights:

Korea continues to ban U.S. beef imports based on one case of BSE detected in December 2003. Trial traceability programs introduced by the Korean government in 2005 should improve consumer confidence in beef and, in turn, stimulate beef consumption. Korean Hanwoo beef producers are expected to expand their herds in 2005 to take advantage of improving live cattle prices. Stronger environmental restrictions and shifts in consumption from pork to beef and poultry meat are expected to result in lower swine inventories in 2005.

Includes PSD Changes: Yes
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Section I: Situation and Outlook

Korea is currently maintaining bans on both U.S. and Canadian beef. It is unclear when the Korean government will lift either of the BSE-related bans. Korea dispatched a technical team to the United States to review and validate the findings of the International Review Commission in May 2004. Results of the technical talks between Korean and the United States as well as the timing of Japan's lifting of the ban on U.S. beef will have a strong influence on when the Korean ban is lifted. Post will adjust the estimates in this report if Korea changes its policy and allows beef to enter from the United States.

Korean government's introduction of the traceability system in some of the discount stores and consumers increased confidence of Hanwoo beef is expected to increase the beef consumption in 2005. If the increased inventory allows for retail prices to drop, it would further boost the beef consumption when coupled with the economy that is slowly beginning to recover. Higher production and lower retail prices of Hanwoo beef cattle in 2005 will also help boost the consumption in 2005.

Lucrative Hanwoo live cattle prices prior to the ban on U.S. beef continued into January 2004 as producers and processors anticipated higher demand for Hanwoo beef caused by the import ban on U.S. beef. In turn, farmers continued to expand herds throughout 2004. However, as the overall beef consumption dropped and the economy failed to pick up, Hanwoo cattle prices have declined in 2004. Hanwoo steer prices peaked in December 2003 at US\$ 3,923 per 500 Kg (live weight) but dropped to US\$ 3,764 in December 2004. However, despite this slight drop, it is still high enough to lure farmers to expand their herd size in 2005.

The focus of Government policies has been to focus less on stimulating Hanwoo production and, instead, emphasize enhancements to the food safety system covering beef. Among other aspects, the new focus includes development of a traceability program and environment friendly livestock policies.

Despite significant reduction in cattle prices and a sluggish economy, Hanwoo beef wholesale prices remain 6 times higher than imported Australian beef. Hanwoo products target the high-income consumer market. However, the majority of Korean beef consumers who focused formerly on reasonably priced but high quality imported beef have now shifted to other substitute products, such as pork and fish. The fact that wholesale prices for imported (Australia and New Zealand) chuck rolls' prices have increased from 5,700 won/kg (US\$5.50/kg) in December 2003 to 7,200 won/kg (US\$7.00/kg) in December 2004 has pressed lower income consumers to substitute cheaper products not associated with food scares such as pork. This shift has caused the pork prices to rise. Similar cuts for Hanwoo beef prices increased from 34,000 won/kg (US\$33.00/kg) to 43,000 won/kg. (US\$41.70/kg) during the same period.

Korea began to export pork from a Korea island free from classical swine fever to Japan on May 14, 2004. However, this was suspended again in December 2004 when antibody of classical swine fever was detected in one of the swine farms in Jeju. Korean government officials anticipate to reach an agreement with Japan during the first half of 2005 for resuming pork exports from this island. Mainland Korea has vaccinated 95.7 percent of the swine herd against classical swine fever as of December 2004. In the meantime, Korean swine producers enjoyed a prosperous market in 2004 as a result of BSE and avian influenza situations that have reduced consumption of beef and poultry products. However, overall pork consumption is expected to drop in 2005 as people increase their consumption of beef and poultry, as the economy peaks up and as their fear of avian influenza declines.

Section II: Cattle, Beef, and Veal

Production

The Korean Hanwoo cattle herd increased in 2004 after reaching its lowest level in March 2003. Record level farm gate prices for Hanwoo cattle and calves in 2004 and anticipated higher demand for Hanwoo beef as the economy picks up in 2005 have caused farmers to expand their herd size. Also, the introduction of programs to enhance the confidence of Hanwoo beef, such as traceability of Hanwoo beef, is enticing consumers to return to Hanwoo beef consumption. The import ban placed on U.S. beef also encouraged farmers to continue herd expansion in 2004 and 2005. Reflecting Hanwoo producers' optimism, 28.1 percent more Hanwoo cows were artificially inseminated during the first five months of 2004 than during the same period in 2003. According to a survey conducted in December 2004, 32 percent of Hanwoo farmers intended to increase the size of their herds, while 57 percent replied that they would maintain their current herd size. Only 11 percent replied that they would reduce their herd size.

The Korean government introduced a beef traceability system in some of the discount stores to increase consumer confidence in Hanwoo beef. Based on preliminary indications, the traceability system is expected to increase beef consumption in 2005. If increased inventory allows for retail prices to drop, it would further boost beef consumption when coupled with slow improvement in the economy. Depending on when the ban on U.S. beef is lifted, there is a possibility of another round of herd contraction if Hanwoo beef prices plunge after U.S. beef returns to the market. However, the fact that Hanwoo continues to be consumed even though Hanwoo beef retail prices are 3.8 times higher than imported beef indicates that demand for Hanwoo beef is relatively unresponsive to changes in price.

Despite an expected gradual recovery in Hanwoo beef consumption, cattle prices are expected to continue to decline in 2005 as cattle held back from the market in 2004 enter the slaughter houses. Joint efforts to promote beef consumption by the U.S. Meat Export Federation and the Korean Hanwoo Association for the first time provide some indication of how desperate Korean farmers are to stimulate consumption.

Government programs continue to encourage more beef production. The basic policy for the livestock industry in 2005 is aimed at providing higher-quality, safe livestock products that will meet the consumer demand. Also, efforts are being targeted at stabilizing the market to cope with the import ban put in place after the BSE case in the United States.

U.S. feeder calves (762 head) imported in late 2003 are now beginning to be slaughtered. The initial response from the consumers is very positive. Retail prices are similar to imported chilled beef. These products are marketed as "domestic beef" as they have been fed in Korea for over 6 months. However, the labels must also indicate the place of birth as "United State" Activist farm groups who pressured the retailers to not sell the products by storming the retail outlet in massive numbers seem to have backed off for the time being.

MAF has implemented the following initiatives to provide higher-quality, safe livestock products that will meet the demand of consumers in 2005:

Cash Incentives for Quality Improvement: As of July 1, 2004, castrated Hanwoo steers that receive "Grade A" after slaughter receive a cash incentive. The total number of animals expected to receive this cash incentive in 2005 is targeted at 61,000 head, compared to 17,000 head in 2004. The government has budgeted 8.48 billion won (US\$8.2 million) for 2005. Only cattle that were born in Korea are eligible for the incentive payment.

Mandatory Livestock Registration: The Ministry of Agriculture & Forestry is implementing its plan to require livestock farmers to register with the municipal/provincial government. To register, farmers are required to maintain a minimum farm space per animal and undergo education on environmentally friendly agriculture once a year. Hanwoo farms larger than 300 square meters and swine farms larger than 50 square meters are required to register by the end of 2005. When the registration is completed, the government will have a better database for controlling livestock diseases, targeting support and enforcing prerequisites for obtaining support. The government has budgeted 18.79 billion won (US\$18.2 million) in 2005 for this project.

Improvement of BSE Monitoring System: Korea randomly tests 1000 head of cattle per year under a BSE monitoring program. Cattle tested under the monitoring program are allowed to move into the market before the test results become available. In addition to the animals tested for BSE on a monitoring basis, all cattle exhibiting suspicious signs are required to undergo testing for BSE. The animals subject to the mandatory test are not allowed to enter the market until the test result becomes available.

Beef Traceability System: Korea plans to introduce a beef traceability system on a trial basis from October 2004 to 2008. When implemented, it will provide information for beef by each stage of production, from the cattle farm, slaughter plant, processing facility to marketing channels. The traceability system will target 9 brands in 2005 which will cover around 45,000 head of Hanwoo cattle. Total budget for this project is set at 367 million won (\$355,000) in 2005 to provide support for procurement of ear tags, setting up the computer system, purchase of code scanners, printers, etc. The government will also test a traceability system for imported beef in 2005 by selecting 2 importing companies, 1 processing plant, 2 retail stores and 2 quarantine facilities. They will use the Radio Frequency ID (RFID) Chip to conduct the trial traceability program for imported beef. Pending the result of the trial, the government plans to come up with a proposal to enlarge the program.

Beef Imports

The official trade statistics used in this report are based on customs clearance basis. Therefore, the 2004 import numbers in the PS&D from United States are actually products that had cleared quarantine inspection prior to December 23, 2003 but cleared customs in 2004.

The drop in demand for imported beef and beef in general has allowed the domestic beef market to overcome any sudden shortfall of beef supply caused by the import ban imposed on beef from the United States, which had accounted for 68 percent of the total imported beef market. Although Australia and New Zealand have increased exports to Korea in 2004 to fill the gap, the total import volume for the first 11 months of 2004 has dropped to half of what it was during the same period in 2003. Ample stocks of U.S. beef in storage in Korea prior to the ban in preparation for the lunar New Year have gradually been released over time. Beef imports are expected to increase in 2005 as the imported U.S. beef in the warehouses (currently estimated to be around 10,000 MT) is used up and demand improves. Koreans' preference for high marbled grain-fed beef is also a constraint on Australia and New Zealand's promotional efforts to capture the market that the United States had supplied. Australia has increased its supply of grain-fed beef, but it is still far from meeting the demand that existed prior to the ban for highly marbled U.S. beef and even more so when compared with domestic Hanwoo beef.

The U.S. Meat Export Federation is continuing promotional activities to restore consumer confidence in consumption of beef as well as provide factual information about BSE to the

public. Favorable risk analysis by the Japanese government on the safety of U.S. beef, increased demand for beef and thus increased retail prices, public awareness of factual information on BSE, etc., will all play a favorable role in pushing the Korean government to be more forthcoming in technical consultations for resuming beef trade from the United States. PS&D numbers for 2004 and 2005 do not include any projection for U.S. beef imports to avoid prejudging the timing and outcome of ongoing discussions between the U.S. and Korean governments.

Consumption/Utilization/Stocks

The Korea Rural Economic Institute (KREI) conducted a survey in December 2004, to see how confident the consumers were about purchasing Hanwoo beef. The survey showed that 88 percent were suspicious whether the Hanwoo beef that they were purchasing was truly Hanwoo beef. According to another survey conducted by a consumer group in January 2005, 19 butcher shops (32 percent) out of 60 shops surveyed were selling dairy cattle beef as Hanwoo beef. A new life style/marketing trend that has become popular in Korea this year is called "well-being." One of the key points with this new life style trend is eating food that is good for your health.

During the major BSE outbreak in the United Kingdom in 2001, it took 5 months for Korean consumers to return to normal consumption patterns. However, consumer confidence levels after the BSE case in the United States have still not returned to normal but are slowly increasing. Korea did not import beef from Europe while the majority of imported beef was from the United States. Imported stocks of U.S. beef stock are projected to run out by the mid 2005. Imports from Australia and New Zealand are expected to increase slightly to meet the increase in consumption left uncovered by domestic beef.

Major international suppliers continued to carry out market promotion activities in 2004. After the BSE case in the United States, the Australian Meat & Livestock Corporation began a promotional campaign for "Clean & Safe Australian Beef – Raised Fully through Grazing" at the retail level. New Zealand is emphasizing similar promotional approaches. Despite the ban on U.S. beef imports, USMEF continues to promote frozen U.S. beef products that are in stocks as well as a joint generic promotion to increase overall beef consumption and restore consumer confidence.

Korean language web sites of interest (some contain limited information in English):

Ministry of Agriculture & Forestry:	www.maf.go.kr
National Agricultural Products Quality Service:	www.naqs.go.kr
National Agricultural Cooperatives Federation:	www.nacf.co.kr
Korea Swine Association:	www.koreapork.or.kr

The conversion factor used for converting carcass to boneless weight is 1.25 for pork and 1.36 for beef.

Section III: Swine and Pork

The swine industry has been enjoying relatively high swine prices due to a decline in swine inventory and increased pork consumption since cases of BSE were detected in North America and outbreaks of avian influenza occurred in the countries that were major poultry meat suppliers to Korea. Due to high domestic beef prices and low confidence in country of origin labeling for beef, consumers have substituted pork and fish for beef. The total herd size dropped 3.9 percent in 2004 compared to the ending inventory in 2003. Reasons for the drop in inventory are provided below.

The Korean government's efforts to vaccinate swine against classical swine fever (CSF) are showing positive signs with 95.7 percent of the nation's swine herd vaccinated as of December 2004. Despite progress in battling CSF, Korean pork producers will not be able to resume exports to Japan from the mainland anytime in the near future because the Japanese government requires exporting countries to be free from CSF for one year from the last vaccination. However, Japan has accepted Korea's request to regionalize the ban on Korean pork exports by allowing shipments from Jeju Island where no CSF outbreaks have been detected and no CSF vaccination program has been conducted. As a result of the protocol, Jeju began to ship small amounts of pork to Japan on May 14, 2004. However, Jeju shipments were also suspended when the CSF antibody was found in a Jeju farm on November 23, 2004. The Korean government is working with the Japanese government to reach agreement on resuming pork exports from Jeju and expects to reach a conclusion during the first half of 2005. Due to the small amount of production on Jeju Island, significant exports to Japan will not take place even after trade resumes from Jeju until mainland producers are allowed to export to Japan. Small amounts of Korean pork continue to be exported to Russia and the Philippines.

The Korean Swine Association plans to spend 7.9 billion won (about US\$7.67 million) in 2005 on promotional activities to increase the consumption of unpopular cuts by airing ads on television and radio programs. This is a huge jump from the 2.6 billion won (about US\$2.25 million) spent in 2004. Consumer substitution of pork for beef along with aggressive promotion have increased pork consumption and reduced stocks. However, as people increase their beef and poultry consumption as the initial fear against BSE and avian influenza declines and as the domestic economy picks up allowing for higher consumption of more expensive beef, overall pork consumption is expected to drop slightly in 2005.

Outbreaks of Porcine Epidemic Diarrhea (PED) and Post-weaning Multi-systemic Wasting Syndrome (PMWS) during the period March-May, 2004 has caused a high loss of young weaner pigs. PED and PMWS losses were much higher than the losses caused from CSF in 2003. Such losses, coupled with damage from the high summer heat and increased compound feed prices (9 percent increase in January, 2004 followed by another increase of 9 percent in March, 2004 and 5% increase in September, 2004) have offset the incentive to increase herd size caused by high swine prices. Compound feed manufacturers dropped their prices by 5 percent in November 2004 but this is not expected to lure the small sized farmers back into hog production. The Korean government's requirement to register all swine farms that have over 50 square meters of livestock growing facilities by the end of 2005 is another factor limiting herd expansion. Farms subject to registration must be equipped with pollution control facilities and meet certain minimum space requirements per animal. Due to the costs associated with such facilities, only 23.6 percent of the 39,000 farms (including cattle farms) subject to the registration had registered as of December 2005. The decision by the Korean government on when to lift the import ban placed on U.S. beef will also influence pork consumption levels in 2005.

Some of the support programs for the swine sector in 2005, including several that also encompass the cattle sector, follow:

Support for Branded Pork: The government plans to provide 163 billion won (\$158 million) to enhance the total amount of pork that is marketed under brand names. The government will provide the support in the form of loans offered at an interest rate of 3 percent per annum, with a 3-year grace period and full repayment at the end of the loan period.

Mandatory Livestock Registration: See details in Section II.

The Korea Chile Free Trade Agreement (FTA) went into effect April 1, 2004. One result of the FTA has been that Korea has increased duty-free quota access for Chilean pork and reduced duties on out-of-quota pork imports from Chile. Pork imports from Chile are projected to rise from 15,261 MT in 2003 to 23,000 MT in 2004. Chilean pork exporters will have tariff-free access to Korea for most cuts after the Chile-Korea FTA has been in effect for 10 years. Korea and Chile will negotiate the tariff treatment for carcasses and half-carcasses under the FTA after the end of the Doha Development Agenda negotiations.

Korea-Chile Free Trade Agreement: Impact on Pork Trade		
HS Heading	Description	Category 1/
0203	Meat of swine, fresh, chilled or frozen.	
02031	Fresh or chilled:	
0203110000	Carcasses and half-carcasses	Year 10
0203120000	Hams, shoulders and cuts thereof, with bone in	Year 10
020319	Other	
0203191000	Belly	Year 10
0203199000	Other	Year 10
02032	Frozen:	
0203210000	Carcasses and half-carcasses	Doha Development Agenda 2/
0203220000	Hams, shoulders and cuts thereof, with bone in	Year 10
020329	Other	
0203291000	Belly	Year 10
0203299000	Other	Year 10
1/ Chilean pork exporters will have tariff-free access to Korea for most cuts after the Chile-Korea FTA has been in effect for 10 years.		
2/ Korea and Chile will negotiate the tariff treatment for carcasses and half-carcasses under the FTA after the end of the Doha Development Agenda negotiations.		

Customs duties on imports into Korea originating in Chile under category "Year 10" shall be eliminated in accordance with the following timetable.

Korea-Chile Free Trade Agreement: Tariff Staging for Product in Year 10 Category												
"Year 10" Category	2004		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Before Apr 1	After Apr 1										
Percentages of annual tariff reduction	0	9.1	18.2	27.3	36.4	45.5	54.5	63.6	72.7	81.8	90.9	100
Example: Tariffs (%) for Frozen Bellies From Chile 0203.29.1000	25	22.7	20.5	18.2	15.9	13.6	11.4	9.1	6.8	4.6	2.3	0

Korean language web sites of interest (some contain limited information in English):

Ministry of Agriculture & Forestry:	www.maf.go.kr
National Agricultural Products Quality Service:	www.naqs.go.kr
National Agricultural Cooperatives Federation:	www.nacf.co.kr
Korea Swine Association:	www.koreapork.or.kr

The conversion factors used for converting a carcass to a boneless weight are 1.25 for pork, 1.36 for beef.

Section IV: Statistical Tables: Cattle and Beef

PS&D Table for Cattle

Country Korea, Republic of

Commodity Animal Numbers, Cattle

(1000 HEAD)

Market Year Begin	2003 Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
	01-2003		01-2004		01-2005
Total Cattle Beg. Stks	1954	1999	1999	2096	2163
Dairy Cows Beg. Stks	308	296	296	290	286
Beef Cows Beg. Stocks	532	543	543	600	617
Production (Calf Crop)	631	700	744	650	774
Intra EC Imports	0	0	0	0	0
Total Imports	3	2	2	2	2
TOTAL Imports	3	2	2	2	2
TOTAL SUPPLY	2588	2701	2745	2748	2939
Intra EC Exports	0	0	0	0	0
Total Exports	0	0	0	0	0
TOTAL Exports	0	0	0	0	0
Cow Slaughter	269	270	255	290	270
Calf Slaughter	0	0	0	0	0
Other Slaughter	315	330	322	410	340
Total Slaughter	584	600	577	700	610
Loss	5	5	5	6	5
Ending Inventories	1999	2096	2163	2042	2324
TOTAL DISTRIBUTION	2588	2701	2745	2748	2939
Calendar Yr. Imp. from U.S.	1	2	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0

PS&D Table for Beef

Country Korea, Republic of**Commodity** Meat, Beef and Veal (1000 MT CWE)(1000 HEAD)

	2003	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	USDA Official [Old]	01-2003		01-2004		01-2005
Slaughter (Reference)	584	584	600	577	700	610
Beginning Stocks	40	40	61	61	5	1
Production	182	182	187	187	220	200
Intra EC Imports	0	0	0	0	0	0
Total Imports	445	443	200	196	275	260
TOTAL Imports	445	443	200	196	275	260
TOTAL SUPPLY	667	665	448	444	500	461
Intra EC Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Human Dom. Consumption	606	604	443	443	490	460
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	606	604	443	443	490	460
Ending Stocks	61	61	5	1	10	1
TOTAL DISTRIBUTION	667	665	448	444	500	461
Calendar Yr. Imp. from U.S.	305	305	21	29	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Cattle and Beef Tables

Korea: Beef Imports (2003 – 2004)

Country	2003	2004
	Revised	Preliminary
	(In metric tons, product weight equivalent)	
U.S.A.	224,037	26,000
Australia	68,989	85,400
New Zealand	26,108	46,300
Canada	6,594	300
Others	138	1,000
TOTAL	325,866	159,000

Source: Korea Customs Service, Office of Ag. Affairs
Product Weight Equivalent

Korea: Beef Imports (Annual 2003, First Eleven Months of 2003 and 2004)

(Unit: Metric tons and \$000)

Country	Annual 2003		Jan. – Nov., 2003		Jan. – Nov., 2004	
	Volume	Value	Volume	Value	Volume	Value
U.S.A.	224,037	813,238	206,821	746,402	25,129	93,870
Australia	68,989	175,045	63,957	159,940	78,014	277,151
New Zealand	26,108	65,242	24,006	59,521	41,677	120,281
Canada	6,594	17,429	6,547	17,344	261	209
Others	138	373	107	294	773	2,189
TOTAL	325,866	1,071,327	301,438	983,501	145,854	493,700

Source: Korea Customs Service, Office of Ag. Affairs
Product Weight Equivalent

Korea: Processed Beef Imports (Annual 2003, First Eleven Months of 2003 and 2004)

(Unit: Metric tons and \$000)

Country	Annual 2003		Jan. – Nov., 2003		Jan. – Nov., 2004	
	Volume	Value	Volume	Value	Volume	Value
U.S.A.	76	393	76	393	1	12
Mongolia	0	0	0	0	29	32
Brazil	4	3	4	3	18	17
PRC	98	45	98	45	17	7
Australia	33	318	33	311	16	175
Canada	4	36	4	36	0	0
Other	15	35	15	34	9	20
TOTAL	230	830	230	822	90	263

Source: Korea Customs Service, Office of Ag. Affairs
Product Weight Equivalent (HS 021020 and 160250)

Korea: Processed Beef Exports: Exports of processed beef products were minimal. Korea exported a total of 7 MT in 2003, compared to 18 MT in 2002. Exports during the first eleven months of 2004 reached 4.8 metric tons.

Korea: Cattle Slaughter Trend

Month	Total	Cows	Steers
	(Heads Slaughtered)		
Total 1997	1,125,281	573,954	551,327
Total 1998	1,282,290	643,266	639,024
Total 1999	1,096,207	614,325	481,882
Total 2000	997,331	547,745	449,586
Total 2001	729,245	369,039	360,206
Total 2002	633,024	313,466	319,558
Total 2003	584,201	268,989	315,212
Total 2004 *	576,578	254,782	321,796
January, 2004	51,733	21,662	30,071
February, 2004	21,932	11,160	10,772
March, 2004	34,746	16,903	17,843
April, 2004	45,603	20,959	24,644
May, 2004	47,426	21,672	25,754
June, 2004	48,940	20,781	28,159
July, 2004	47,583	21,958	25,625
August, 2004	48,616	21,058	27,558
September, 2004	78,393	33,012	45,381
October, 2004	42,975	19,151	23,824
November, 2004	50,952	21,837	29,115
December, 2004 *	57,679	24,629	33,050

Source: Ministry of Agriculture & Forestry

* : Preliminary

Korea: Live Hanwoo Beef Cattle Prices

(Won per head, Exchange rate is US\$1=1,030 won)

Month/Year	Calf		500 Kg.	
	Female	Male	Female	Male *
1999 Average	774,000	1,024,000	2,401,000	2,488,000
2000 Average	1,103,000	1,294,000	2,872,000	2,752,000
2001 Average	1,729,000	1,785,000	3,514,000	3,245,000
2002 Average	2,306,000	2,288,000	4,236,000	3,927,000
2003 Average	3,242,000	2,610,000	4,849,000	3,907,000
2004 Average	3,226,000	2,246,000	4,339,000	3,512,000
January, 2004	3,792,000	2,731,000	5,119,000	3,955,000
February, 2004	3,601,000	2,573,000	4,858,000	3,625,000
March, 2004	3,487,000	2,427,000	4,690,000	3,452,000
April, 2004	3,264,000	2,250,000	4,445,000	3,177,000
May, 2004	2,751,000	1,998,000	4,087,000	2,925,000
June, 2004	2,874,000	2,068,000	3,944,000	2,917,000
July, 2004	3,168,000	2,205,000	4,114,000	3,374,000
August, 2004	3,192,000	2,165,000	4,181,000	3,567,000
September, 2004	3,202,000	2,167,000	4,155,000	3,659,000
October, 2004	3,181,000	2,178,000	4,198,000	3,872,000
November, 2004	3,165,000	2,133,000	4,169,000	3,877,000
December, 2004	3,033,000	2,059,000	4,106,000	3,740,000

Source: Ministry of Agriculture & Forestry
National Agricultural Cooperatives Federation

* These are average prices of non-castrated steers, which are very price elastic to demand. Castrated steers are less price elastic to demand but as they go directly to the slaughter plants without going through the livestock market, they are not calculated in these figures. After the year-end and New Year, the demand for beef, especially those that is highly elastic to price, drop significantly.

Korea: Monthly Beef Import Prices (CIF)

Unit: Dollars per Metric Ton

Month	2003	2004
January	2,878	3,399
February	3,526	3,010
March	2,974	3,128
April	3,164	3,274
May	3,343	3,389
June	3,619	3,364
July	3,506	3,564
August	3,571	3,514
September	3,272	3,597
October	3,317	3,383
November	3,574	3,541
December	3,592	N/A

Source: Korea International Trade Association

Note: Prices are average of all cuts, regardless of country of origin, whether chilled/frozen or bone-in or boneless.

Korea: Per Capita Consumption of Livestock Products

Unit: Kilogram, boneless basis

Year	Total Meat	Beef	Pork	Chicken	Egg
1995	27.5	6.7	14.8	6.0	10.1
1997	29.3	7.9	15.3	6.1	10.4
1999	30.5	8.4	16.1	6.0	9.9
2000	31.9	8.5	16.5	6.9	10.3
2001	32.2	8.1	16.8	7.3	11.1
2002	33.5	8.5	17.0	8.0	11.3
2003	33.4	8.1	17.4	7.9	10.5
2004 *	31.2	6.7	17.8	6.7	10.2

Source: National Agricultural Cooperatives Federation
Korea Rural Economic Institute

Note: "*" is preliminary data.

Korea: Hanwoo Cattle Inventory

(1,000 Household, 1,000 Head)

Month / Year	Household	Total Stock	By Age			Cow	
			Under 1 year old	1-2 year old	Over 2 year old	1-2 year old	Over 2 year old
Sep., 1997	482	2,880	1,191	528	1,161	277	1,146
Dec., 1997	465	2,735	1,102	535	1,098	275	1,082
Mar., 1998	474	2,762	1,043	580	1,139	300	1,118
Jun., 1998	466	2,750	1,058	588	1,104	305	1,082
Sep., 1998	450	2,633	1,015	585	1,033	306	1,013
Dec., 1998	427	2,383	895	556	932	296	913
Mar., 1999	413	2,198	812	503	883	276	862
Jun., 1999	399	2,167	801	512	854	280	834
Sep., 1999	372	2,094	758	520	816	272	794
Dec., 1999	350	1,952	717	489	746	256	726
Mar., 2000	336	1,819	646	461	712	239	690
Jun., 2000	326	1,801	666	434	701	215	678
Sep., 2000	305	1,713	642	412	659	199	639
Dec., 2000	290	1,590	589	390	611	188	593
Mar., 2001	267	1,476	540	361	575	172	556
Jun., 2001	260	1,507	544	383	580	178	562
Sep., 2001	247	1,485	544	370	571	171	552
Dec., 2001	235	1,406	506	351	549	163	532
Mar., 2002	227	1,371	499	328	544	149	525
Jun., 2002	224	1,448	558	324	566	146	546
Sep., 2002	218	1,461	557	335	569	144	546
Dec., 2002	212	1,410	521	335	554	146	532
Mar., 2003	191	1,337	484	325	528	141	504
Jun., 2003	190	1,423	529	349	545	152	521
Sep., 2003	189	1,464	551	355	558	156	533
Dec., 2003	188	1,480	546	366	568	157	543
Mar., 2004	189	1,521	536	389	596	163	569
Jun., 2004	189	1,627	586	409	632	172	600
Sep., 2004	189	1,667	602	416	649	176	617
Dec., 2004	189	1,666	609	409	648	177	617

Source: National Agricultural Products Quality Management Service

Note: Total animal numbers may not add up, due to rounding.

Korea: Hanwoo Cattle – Cow/Calf Ratio

(1,000 Head)

Month/Year	Calf (Under 1 year)	Cow (Over 1 year)	Ratio (%)
Sep., 1997	1,191	1,423	83.7
Dec., 1997	1,102	1,357	81.2
Mar., 1998	1,043	1,418	73.6
Jun., 1998	1,058	1,387	76.3
Sep., 1998	1,015	1,319	77.0
Dec., 1998	895	1,209	74.0
Mar., 1999	812	1,138	71.4
Jun., 1999	801	1,114	71.9
Sep., 1999	758	1,066	71.1
Dec., 1999	717	982	73.0
Mar., 2000	646	929	69.5
Jun., 2000	666	893	74.6
Sep., 2000	642	838	76.6
Dec., 2000	589	781	75.4
Mar., 2001	540	728	74.2
Jun., 2001	544	740	73.5
Sep., 2001	544	723	75.2
Dec., 2001	506	695	72.8
Mar., 2002	499	674	74.0
Jun., 2002	558	692	80.6
Sep., 2002	557	690	80.7
Dec., 2002	521	678	76.8
Mar., 2003	484	645	75.0
Jun., 2003	529	673	78.6
Sep., 2003	551	689	80.0
Dec., 2003	546	700	78.0
Mar., 2004	536	732	73.2
Jun., 2004	586	772	75.9
Sep., 2004	602	793	75.9
Dec., 2004	609	794	76.7

Source: National Agricultural Products Quality Management Service

Korea: Cattle/Beef Tariff Table for CY2005

(N: In-quota / M: Out-of-quota)

Tariff Number	Product Description	WTO Bound Rate	Current Applied Rate	Other Information
0102.10.1000	Pure-bred breeding milk cow	N: 0 M: 89.1%	N: 0 M: 89.1%	Total in-quota amounts for these three HS numbers are 1,067 heads.
0102.10.2000	Pure-bred breeding beef cattle	N: 0 M: 89.1%	N: 0 M: 89.1%	
0102.10.9000	Pure-bred breeding - other	N: 0 M: 89.1%	N: 0 M: 89.1%	
0102.90.1000	Other milk cow	40.0%	40.0%	Import was liberalized on Jan. 1, 2001.
0102.90.2000	Other beef cattle	40.0%	40.0%	
0102.90.9000	Other	0	0	
0201.00.0000	Beef (fresh or chilled)			
0201.10.0000	Carcass and half-carcass	40.0%	40.0%	Import was liberalized on Jan. 1, 2001.
0201.20.0000	Other cuts with bone-in	40.0%	40.0%	
0201.30.0000	Boneless	40.0%	40.0%	
0202.00.0000	Beef (Frozen)			
0202.10.0000	Carcass and half-carcass	40.0%	40.0%	Import was liberalized on Jan. 1, 2001.
0202.20.0000	Other cuts with bone-in	40.0%	40.0%	
0202.30.0000	Boneless	40.0%	40.0%	
0206.10.0000	Beef offal (fresh or chilled)	18.0%	18.0%	
0206.20.0000	Beef offal (frozen)			
0206.21.0000	Tongues	18.0%	18.0%	
0206.22.0000	Livers	18.0%	18.0%	
0206.29.0000	Other			
0206.29.1000	Tails	18.0%	18.0%	
0206.29.2000	Feet	18.0%	18.0%	
0206.29.9000	Other	18.0%	18.0%	
0210.20.0000	Meat and edible meat offal of bovine animals, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal of bovine animals.			
0210.20.1000	Dried or smoked	27.0%	27.0%	
0210.20.9000	Other	27.0%	27.0%	
1602.50.0000	Other prepared or preserved meat, meat offal or blood, of bovine animals			
1602.50.1000	In airtight containers	72.0%	72.0%	
1602.50.9000	Other	72.0%	72.0%	

Source: Korea Customs and Trade Institute

N: in-quota rate; M: out-of-quota rate

Section V: Statistical Tables: Swine and Pork

PS&D Table for Swine

Country	Korea, Republic of					
Commodity	Animal Numbers, Swine (1000 HEAD)					
	2003 USDA Official [Old]	Revised Post Estimate [New]	2004 USDA Official [Old]	Estimate Post Estimate [New]	2005 USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin		01-2003		01-2004		01-2005
TOTAL Beginning Stocks	8110	8110	8367	8367	8274	8044
Sow Beginning Stocks	955	955	975	975	950	935
Production (Pig Crop)	15856	15856	15046	14796	15700	14625
Intra EC Imports	0	0	0	0	0	0
Total Imports	1	1	1	1	1	1
TOTAL Imports	1	1	1	1	1	1
TOTAL SUPPLY	23967	23967	23414	23164	23975	22670
Intra EC Exports	0	0	0	0	0	0
Total Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	15287	15286	14640	14620	15535	14370
Total Slaughter	15287	15286	14640	14620	15535	14370
Loss	313	314	500	500	310	300
Ending Inventories	8367	8367	8274	8044	8130	8000
TOTAL DISTRIBUTION	23967	23967	23414	23164	23975	22670
Calendar Yr. Imp. from U.S.	1	1	1	1	0	1
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PS&D Table for Pork

Country	Korea, Republic of					
Commodity	Meat, Swine		(1000 MT CWE)(1000 HEAD)			
	2003	Revised Post Estimate	2004	Estimate Post Estimate	2005	Forecast Post Estimate
	USDA Official [Old]	[New]	USDA Official [Old]	[New]	USDA Official [Old]	[New]
Market Year Begin	01-2003			01-2004		01-2005
Slaughter (Reference)	15287	15286	14640	14620	15535	14370
Beginning Stocks	213	213	204	204	163	181
Production	1149	1149	1100	1100	1170	1080
Intra EC Imports	0	0	0	0	0	0
Total Imports	153	150	200	216	208	260
TOTAL Imports	153	150	200	216	208	260
TOTAL SUPPLY	1515	1512	1504	1520	1541	1521
Intra EC Exports	0	0	0	0	0	0
Total Exports	17	15	11	9	15	12
TOTAL Exports	17	15	11	9	15	12
Human Dom. Consumption	1294	1295	1330	1330	1360	1320
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	1294	1295	1330	1330	1360	1320
Ending Stocks	204	202	163	181	166	189
TOTAL DISTRIBUTION	1515	1512	1504	1520	1541	1521
Calendar Yr. Imp. from U.S.	15	15	18	25	0	35
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Swine and pork tables

Korea: Pork Imports (2003 – 2004)

Country	2003	2004
	Revised	Preliminary
	(In metric tons, product weight equivalent)	
U.S.A.	12,494	19,600
Canada	34,855	38,700
Denmark	15,345	22,100
Chile	15,261	23,000
Belgium	14,948	20,100
Hungary	8,770	7,900
France	5,900	13,900
Netherlands	5,680	9,100
Austria	2,235	6,600
Australia	1,827	1,500
Finland	1,741	1,500
Poland	1,577	4,300
Sweden	951	1,700
Other	194	3,000
TOTAL	121,778	173,000

Source: Korea Customs Service, Office of Ag. Affairs
Product Weight Equivalent

Korea: Pork Imports (Annual 2003, First Eleven Months of 2003 and 2004)

(Unit: MT & \$000)

Country	Annual 2003		Jan. – Nov., 2003		Jan. – Nov., 2004	
	Volume	Value	Volume	Value	Volume	Value
U.S.A.	12,494	13,776	11,333	12,300	18,013	32,567
Canada	34,855	23,217	31,903	21,424	35,550	33,472
Chile	15,261	30,147	13,768	26,956	21,148	49,434
Denmark	15,345	18,944	13,896	17,701	20,327	24,497
Belgium	14,948	35,151	13,863	32,728	18,432	48,115
France	5,900	15,738	5,276	14,028	12,781	35,790
Netherlands	5,680	14,132	5,257	12,672	8,416	22,764
Hungary	8,770	16,610	8,307	15,643	7,261	14,972
Austria	2,235	4,870	2,003	4,399	6,035	15,939
Poland	1,577	2,472	1,395	2,190	3,932	7,994
Sweden	951	794	908	776	1,548	2,521
Finland	1,741	4,296	1,629	4,106	1,375	2,631
Australia	1,827	3,552	1,757	3,403	1,352	3,216
Other	194	238	158	587	2,721	5,915
TOTAL	121,778	183,937	111,453	168,913	158,891	299,827

Source: Korea Customs Service

Product Weight Equivalent (HS Code: 0203)

Korea: Pork Exports (2003 – 2004)

Country	2003	2004
	Revised	Preliminary
	(In metric tons, product weight equivalent)	
U.S.A.	0	0
Philippine	6,263	4,400
Russia	5,525	1,800
Japan	0	900
Mongolia	188	130
Others	373	70
TOTAL	12,349	7,300

Source: Korea Customs Service, Office of Agricultural Affairs

Korea: Processed Pork Imports (Annual 2003, First Eleven Months of 2003 and 2004)

(Unit: (MT & \$000))

Country	Annual 2003		Jan. – Nov. 2003		Jan. – Nov. 2004	
	Volume	Value	Volume	Value	Volume	Value
U.S.A.	373	1,412	321	1,198	368	1,617
PRC	84	115	85	115	134	203
Denmark	22	73	8	25	15	53
Australia	3	41	2	39	3	59
Canada	3	46	3	45	1	17
Netherlands	1	4	0	0	0	0
Other	1	1	1	2	7	51
TOTAL	487	1,692	420	1,424	528	2,000

Source: Korea Customs Service

Product Weight Equivalent (HS 0210.1, 1602.41, 1602.42)

Korea: Processed Pork Exports (Annual 2003, First Eleven Months of 2003 and 2004)

(Unit: MT & \$000)

Country	Annual 2003		Jan. – Nov., 2003		Jan. – Nov., 2004	
	Volume	Value	Volume	Value	Volume	Value
U.S.A.	0	0	0	0	0	0
Germany	61	90	61	90	312	801
Philippine	744	268	672	242	168	64
Japan	96	864	93	830	71	649
Congo	3	23	3	23	0	0
Georgia	22	39	22	39	0	0
Other	2	2	1	1	0	0
TOTAL	928	1,286	852	1,225	551	1,514

Source: Korea Customs Service

Product Weight Equivalent (HS 0210.1, 1602.41, 1602.42)

Korea: Pork Exports (Annual 2003, First Eleven Months of 2003 and 2004)

(Unit: MT & \$000)

Country	Annual 2003		Jan. – Nov., 2003		Jan. – Nov., 2004	
	Volume	Value	Volume	Value	Volume	Value
U.S.A.	0	0	0	0	0	0
Philippine	6,263	6,647	5,123	5,417	4,066	3,675
Russia	5,525	5,836	4,758	5,128	1,683	2,471
Japan	0	0	0	0	811	3,656
Mongolia	188	101	101	64	114	41
Other	373	498	230	342	25	57
Total	12,349	13,082	10,212	10,951	6,699	9,900

Source: Korea Customs Service

Product Weight Equivalent (HS 0203)

Korea: Swine Slaughter Trend

(Heads slaughtered)

Month	2002	2003	2004
January	1,288,045	1,396,954	1,242,284
February	1,141,435	1,177,307	1,169,628
March	1,284,482	1,277,202	1,293,279
April	1,273,950	1,287,346	1,254,620
May	1,170,900	1,224,233	1,157,302
June	1,138,994	1,146,264	1,119,480
July	1,228,207	1,192,283	1,122,453
August	1,319,857	1,233,340	1,124,036
September	1,251,483	1,214,569	1,135,975
October	1,459,689	1,412,825	1,347,396
November	1,423,719	1,273,525	1,347,639
December *	1,357,671	1,450,768	1,306,154
TOTAL	15,338,432	15,286,616	14,620,246

Ministry of Agriculture & Forestry

* : Preliminary

Korea: Live Swine Prices

(Won per head, Exchange rate is US\$1=1,030 won)

(Won per head, Exchange rate is US\$1 = 1,000)				
Annual Live Swine Prices				
Year	Piglet		Swine (100 Kg)	
1995	49,000		155,000	
1996	48,000		171,000	
1997	53,000		171,000	
1998	50,000		179,000	
1999	59,000		199,000	
2000	54,000		166,000	
2001	55,000		174,000	
2002	59,000		178,000	
2003	53,000		164,000	
2004	64,000		235,000	
Monthly Live Swine Prices				
Month / Year	Piglet		Swine (100 Kg)	
	2003	2004	2003	2004
January	52,000	57,000	152,000	189,000
February	52,000	61,000	148,000	214,000
March	52,000	65,000	154,000	228,000
April	53,000	66,000	162,000	234,000
May	56,000	68,000	189,000	252,000
June	59,000	68,000	205,000	261,000
July	57,000	67,000	186,000	259,000
August	56,000	65,000	173,000	265,000
September	52,000	64,000	150,000	249,000
October	48,000	62,000	134,000	196,000
November	50,000	62,000	153,000	216,000
December	52,000	65,000	166,000	251,000

Source: Ministry of Agriculture & Forestry
National Agricultural Cooperatives Federation

Korea: Swine/Pork Tariff Table for CY2005

Tariff Number	Product Description	WTO Bound Rate	Current Applied Rate	Other Information
0103.10.0000	Pure-bred breeding swine	N: 0 M: 18.0%	N: 0 M: 18.0%	In-quota amount is 1,850 heads.
0103.90.0000	Other swine			
0103.91.0000	Weighing, less than 50 Kg.	18.0%	18.0%	
0103.92.0000	Weighing, 50 Kg. or more	18.0%	18.0%	
0203.10.0000	Pork (Fresh or chilled)			
0203.11.0000	Carcass and half-carcass	22.5%	22.5%	
0203.12.0000	Hams, shoulder and cuts, with bone-in	22.5%	22.5%	
0203.19.1000	Belly	22.5%	22.5%	
0203.19.9000	Others	22.5%	22.5%	
0203.20.0000	Pork (Frozen)			
0203.21.0000	Carcass and half-carcass	25.0%	25.0%	
0203.22.0000	Hams, shoulder and cuts, with bone-in	25.0%	25.0%	
0203.29.1000	Belly	25.0%	25.0%	
0203.29.9000	Others	25.0%	25.0%	
0206.30.0000	Pork offal (Fresh or chilled)	18.0%	18.0%	
0206.40.0000	Pork offal (Frozen)			
0206.41.0000	Liver	18.0%	18.0%	
0206.49.1000	Feet	18.0%	18.0%	
0206.49.9000	Others	18.0%	18.0%	
0206.80.0000	Other offal (Fresh /chilled)	18.0%	18.0%	
0206.90.0000	Other offal (Frozen)	18.0%	18.0%	
0210.10.0000	Meat & edible meat offal of swine, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal of swine			
0210.11.0000	Hams, shoulders and cuts thereof, with bone-in	25.0%	25.0%	
0210.12.0000	Bellies (streaky) and cuts thereof	31.5%	31.5%	
0210.19.0000	Other	25.0%	25.0%	
1602.40.0000	Other prepared or preserved meat, meat offal or blood, of swine			
1602.41.1000	Hams and cuts thereof in airtight containers	54.0%	54.0%	
1602.41.9000	Hams and cuts thereof, other	27.0%	27.0%	
1602.42.1000	Shoulders and cuts thereof in airtight containers	54.0%	54.0%	
1602.42.9000	Shoulders and cuts thereof, other	27.0%	27.0%	

Source: Korea Customs and Trade Institute
N: in-quota rate; M: out-of-quota rate.